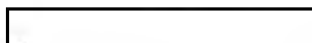


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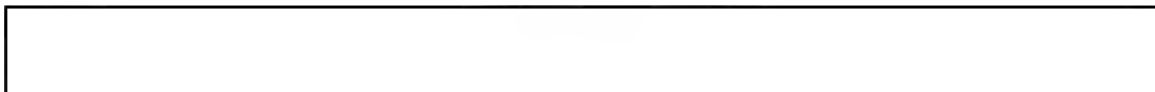
18 July 1962



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# CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

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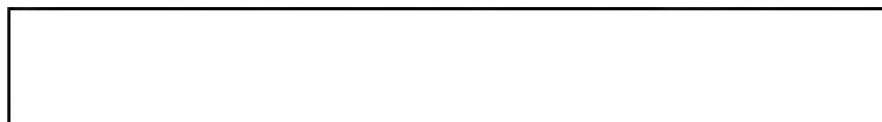
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# CENTRAL INTELLIGENCE BULLETIN

18 July 1962

## DAILY BRIEF

USSR-Berlin: Moscow appears to be intensifying efforts to induce the US to be more forthcoming in the US-Soviet bilateral talks on Berlin. While Khrushchev avoided any threat of a treaty deadline in his 13 July publicized interview with a delegation of US editors, the Soviet premier in his [ ] conversations with Austrian leaders warned that the signing of a peace treaty could not wait forever. As part of a pressure campaign against the West, other Communist representatives are also taking this hard line in private talks with Western sources.]

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[ ] the foreign ministers' meeting in Laos, at which Secretary Rusk and Gromyko are expected to discuss the German situation, will be decisive as far as Berlin is concerned. [ ] if no solution is reached, the bloc will sign a separate peace treaty "within the next two months." A Chinese Communist journalist took the same position in a later conversation [ ] [ ]

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Khrushchev might announce within a few days the date for signing a treaty.]

(Following Khrushchev's Vienna meeting with President Kennedy, when the Soviet Union was trying to force the US to initiate further diplomatic exchanges]

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on Berlin, there were repeated Soviet and satellite statements that Moscow would sign a treaty with East Germany before the end of that year. Reports of this nature fell off sharply after private talks on the Berlin problem were begun with Gromyko in late September.

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DAILY BRIEF

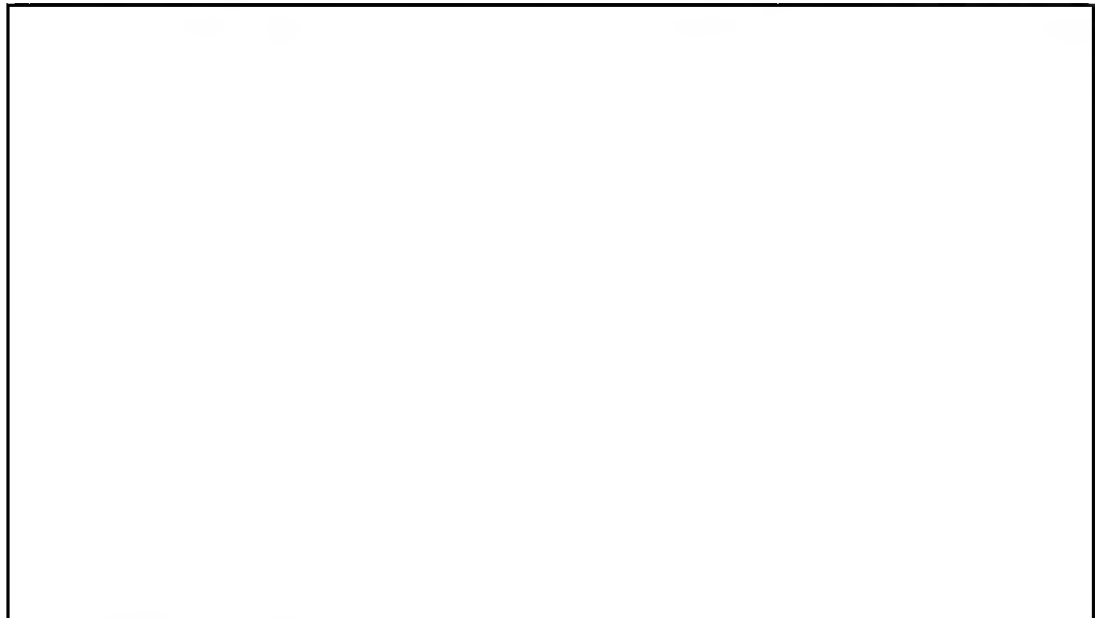
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Laos: Souphannouvong is refusing to permit a company of Phoumi's troops to proceed to Khang Khay in fulfillment of the coalition leaders' decision to establish composite battalions in key administrative centers. Phoumi has warned Souphannouvong that if he persists in this stand, it will be necessary to request the withdrawal of Pathet Lao and neutralist companies from Vientiane and Luang Prabang. Phoumi has cabled Souvanna urging his return to Laos to ease the tensions which have developed since his departure in mid-June.

[The Nationalist ambassador-designate, now in Vientiane, was told on 16 July that arrangements would be made for him to present his credentials to King Savang. However, accreditation is also pending for the Chinese Communist chargé who arrived in Vientiane on 11 July. Taipei's vice foreign minister has reiterated that his government would not tolerate any "two-Chinas" arrangement, but said that the final decision on breaking relations would be made by President Chiang.]

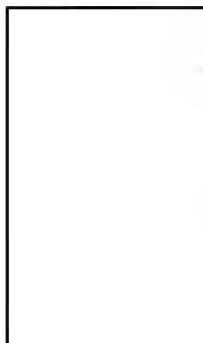
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Algeria: Algerian leaders are under mounting pressure to resolve their differences. The PAG ministers of foreign affairs and information have threatened to resign if the present confusion continues, and the General Union of Algerian Workers (UGTA) has sent delegations to the PAG, Ben Bella, and to leaders of the Algerian National Army (ALN) to urge a speedy reconciliation. UGTA's action is probably prompted by Algeria's grave economic and administrative problems. Information Minister Yazid of PAG has admitted that the political crisis is preventing concentration on these problems.

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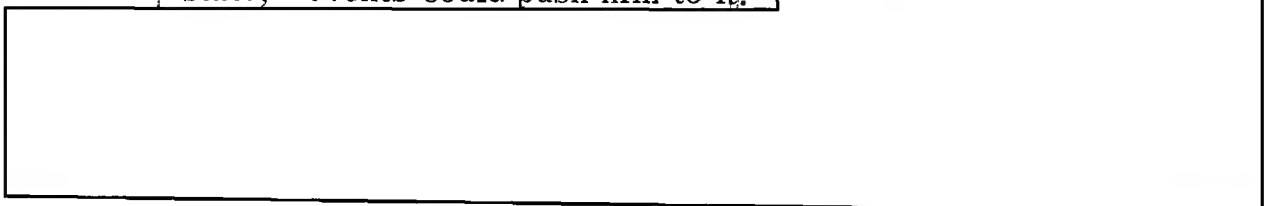
Although spokesmen for both factions have expressed optimism that the secret meeting of ALN leaders, which reportedly began on 16 July, will find an acceptable formula for resolving the dispute, [redacted] the quarrel between Ben Bella and Ben Khedda will be difficult to resolve. Last week [redacted] [redacted] conceded that, although Ben Bella was not then thinking of setting up a separate Western Algerian state, "events could push him to it."

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West Germany - Portugal: The US Embassy in Lisbon reports that West German influence in Portugal is increasing as a result of improved relations between the two governments, and that West Germany may in due course supplant Britain as the principal foreign influence in Portugal.

(Bonn's closer relations with Lisbon are in large part a result of economic aid and agreements on military collaboration which have been under negotiation for some time. These agreements will give the Germans airfield, port, and munitions production facilities in Portugal. Currently, the Bonn Defense Ministry is in the process of establishing a supply base near Lisbon for West German Air Force F-104G fighters.)

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(A feature of the intimacy between the two governments is increased West German interest and sympathy regarding Portugal's colonial problems. In talking with Assistant Secretary of State Williams about African questions last week, Bonn Foreign Ministry officials laid "unexpected" emphasis on Angola, and Bundestag President Gerstenmaier cautioned against pushing Lisbon too hard on liberalizing its colonial policy.)

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DAILY BRIEF

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Ecuador: The Communists have seized upon the recent wave of strikes throughout Ecuador to create incidents endangering the stability of the government. Strikers with legitimate grievances over pay and social benefits have been joined in their protest meetings by Communists, leftist student groups, and members of the Militant Union of Revolutionary Youth of Ecuador (URJE). The latter groups, especially URJE, have transformed the meetings into demonstrations of near-riot proportions intended to discredit the government and President Arosemena.

So far, the national police force has been able to disperse the demonstrators with a minimum of violence, but the underlying causes of the strikes--insufficient funds to meet municipal payrolls and delays in executing public works programs--still persist.

One of the leftists' goals is to force Arosemena to cancel his trip to the US, now scheduled for 22-25 July. If the demonstrations seriously challenge the government, Arosemena may be compelled to stay in Quito.

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